- 02 or Heil received on a deal?
- 03 A. No. Nothing specific, no. I would have
- 04 to look at the log book. But offhand, no, I cannot.

33. PAGE 127:08 TO 127:13 (RUNNING 00:00:14.300)

- 08 Q. Now, the dealer says if McNeilus does not
- 09 get the same pricing on this unit as they do when
- 10 they buy from you then they will just sell Autocars.
- 11 Do you see that?
- 12 A. I see that.
- 13 Q. Do you know what that refers to?

34. PAGE 127:16 TO 127:18 (RUNNING 00:00:05.300)

- 16 THE WITNESS: To be honest with
- 17 you, I honestly don't know what he was
- trying to drive at here.

35. PAGE 136:11 TO 137:01 (RUNNING 00:00:37.400)

- 11 McNeilus purchases a certain
- 12 number of trucks from Mack each year, right?
- 13 A. Correct.
- 14 O. Does it order all those trucks at once or
- 15 are they ordered over the course of a year?
- 16 A. They order over a staggering -- staggered
- 17 period of time.
- Q. And are the -- is it monthly or quarterly?
- 19 Is there some periodic basis on which they order?
- 20 A. I am not as privy to the order pattern as,
- 21 say, Joe Favia who handles the account would be.
- 22 O. But you do know that it comes in not all
- 23 at once?
- 24 A. It's definitely not all at once. I am
- 00137:01 aware of that.

36. PAGE 140:14 TO 140:22 (RUNNING 00:00:23.100)

- 14 Q. Is Exhibit-12 an email, sir, that you
- 15 wrote?
- 16 A. Correct.
- 17 Q. August 21, 2002?
- 18 A. Correct.
- 19 Q. And the legal situation you are
- 20 referencing there in the email is the -- this
- 21 lawsuit, right?
- 22 A. Correct.

37. PAGE 145:04 TO 145:13 (RUNNING 00:00:37.100)

- 04 Q. Okay. Then you went on to say -- you were
- 05 trying to figure out whether Mr. Mack would try to
- 06 sell the truck to BFI at a reduced price than normal
- 07 BFI discount would suggest, right?
 - A. That's what I wrote.
- 09 Q. Would that be wrong?
- 10 A. I believe that would have a negative
- 11 impact on the pricing for that customer, yes.
- 12 Q. It would result in the customer getting a
- 13 lower price, right?

38. PAGE 145:18 TO 149:04 (RUNNING 00:04:21.000)

- 18 Q. And how would it have a negative impact
- 19 then on pricing?
- 20 A. Allied BFI buys trucks from many dealers

```
21 in the Mack network. It's spread throughout the
     22 various regions. They all are equalized to the same
     23 discount. For Allied BFI to be able to buy trucks
     24 at potentially at a lower price here than what they
00146:01 normally are buying for, in my opinion, that would
     02 raise an inquiry among our other dealers as to -- or
         the Mack company themselves as to why can I buy it a
     04 less price here and not anywhere else?
              O. That would raise an inquiry potentially by
     06 Allied BFI, correct?
                  Correct.
     07
              Α.
                   And Allied BFI potentially would expect
     0.8
              Q.
     09 the other dealers or Mack Corporation to sell at
     10 that reduced price rather than the normal discount?
      11
                             MR. HEEP: Objection to
      12
                   foundation.
      13
      14 BY MR. MACK:
              Q.
                  Is that what you are saying?
      15
                   That is a possibility that I was raising.
      16
              Α.
                  And then the second thing you said is you
      17
      18 were trying to figure out whether Mr. Yeager was
      19 going to use these to undercut surrounding dealers.
                            Did you mean by undercut that
      21 Mr. Yeager would try to use these stock trucks to
      22 compete against surrounding dealers?
              A. That's where -- yes.
      23
                  And then try to undercut those dealers on
      24
              Q.
00147:01 price?
      02
                  Yes.
              Α.
              Q. Okay. Is there anything inappropriate
      03
      04 about that, in your mind, sir?
              A. Not in a situation where they probably
      06 have -- where they are equalizing sales assistance.
              Q. Would it be inappropriate, in your view,
      08 if Mr. Yeager had a better price than the
      09 surrounding dealers?
              A. Excuse me. Can you repeat that?
      10
              Q. Would it be inappropriate, in your view,
      11
      12 if Mr. Yeager received a better price from Mack than
      13 the surrounding dealers?
                             MR. HEEP: Can I clarify? You
      14
                   are asking about these three trucks, if it
      15
                   would have been inappropriate if he got a
      16
                   better price and then for the same three
      17
                   trucks? And we're not talk about having
      18
                   an end user, but other dealers had to buy
      19
                   at a higher price?
      2.0
                             MR. MACK: I am talking about
      21
                   what he wrote here.
      22
                             MR. HEEP: Well, I was trying to
                   get a clarification.
      24
                             THE WITNESS: I am confuse by
00148:01
                   the question. Sorry.
      02
                                _ _ _
      04 BY MR. MACK:
              Q. Would it be inappropriate, sir, if Mr.
      05
      06 Yeager got these three trucks from Mack at a reduced
      07 discount and then that discount was not made
      08 available to other dealers to compete against Mr.
      09 Yeager?
      10
           A. Yes. Yes.
```

```
And by the same token, it would be
      11
               Ο.
      12 inappropriate if dealers surrounding Mr. Yeager got
      13 a discount that Mr. Yeager did not receive when he
      14 was trying to compete against them, correct?
               A. If Mr. Yeager was not asking for an
      15
      16 equalizing sales assistance -- let me backtrack.
      17 Just please repeat the question.
              Q. Sure. Read back
      19
                         (Whereupon, the preceding portion of
      20
                    testimony was read back by the court
      21
                    reporter as follows:
      22
                         "O. And by the same token, it would be
      23
                    inappropriate if dealers surrounding Mr.
      24
                    Yeager got a discount that Mr. Yeager did
00149:01
      02
                    not receive when he was trying to compete
      03
                    against them, correct?n")
                              THE WITNESS: Yes.
      04
39. PAGE 151:19 TO 155:02 (RUNNING 00:03:19.000)
                              Have you ever seen Exhibit-14
      19
      20 before?
                  Probably through corresponding through
      21
           A.
      22 Pepper Hamilton.
              O. Okay. This involves a customer that Mr.
      24 Yeager was attempting to quote Parrish Leasing?
             A. Yes.
 00152:01
                    And in the email from Mr. McCafferty he
               Q.
       03 wrote, sales assistance is pending with Polzer,
       04 currently has been for three days. Do you see that?
               A. Yes, I do.
       05
                   Do you recall being asked, sir, to delay
               Q.
      07 the sales assistance on this deal?
               A. Yes, I was.
       0.8
                    And you were asked to do that by Mr.
       09
               Ο.
       10 Yellis?
                              MR. HEEP: Objection. I think
       1.1
                   you are leading the witness here to
       12
                   believe that there is -- what you are
       13
                   talking about is event in October of 2002.
       14
                    I am just not sure that --
       15
                              MR. MACK: I didn't ask him
       16
       17
                    about any dates, Jeremy.
                              MR. HEEP: You are asking him --
       18
       19
       20 BY MR. MACK:
               Q. Turn it over, if it bothers counsel.
       21
                             Let me ask you, do you recall
       22
       23 being asked by Mr. Polzer to delay providing sales
       24 assistance on an account involving Parrish Leasing.
                             MR. HEEP: That is Mr. Polzer?
 00153:01
       02
       03 BY MR. MACK:
                    Do you recall being asked by Mr. Yellis?
               Ο.
       05 Thank you.
                   Yes, I do.
       06
               Α.
                    What did Mr. Yellis say to you?
       07
                Q.
                   He told me I forwarded you the Parrish
               Α.
       09 Leasing deal, please delay sending it back Monday.
               Q. Did he tell you why he wanted you to
       1.0
```

11 delay?

```
A. Yes, he did.
     12
                 Did he tell you that the deal was
     13
              Q.
     14 scheduled to close on Saturday?
             A. He thought there was a good chance the
     16 dealer who traditionally had sold to Parrish Leasing
     17 would be able to get an order Friday, or that Friday
     18 or Saturday.
                  Did you have any discretion, sir, in that
              Q.
     20 instance regarding whether or not you followed what
     21 Mr. Yellis was suggesting?
             A. Yes, I did.
             Q. Okay. You don't answer to Mr. Yellis; is
     23
     24 that right?
00154:01
          A. That's correct.
     02
             Q.
                  You report to Mr. Flaherty?
     03
             A. Correct.
             Q. Did you talk to Mr. Flaherty about it?
     04
     05
             A. No, I did not.
     06
              Q. Okay. You made the decision on your own
     07 to go along with what Mr. Yellis was suggesting?
             A. Yes, I did.
     80
                  And the reason you did that was because
     09
              Q.
     10 Mr. Yellis had requested that you do it?
             A. Yes, it was.
                  Okay. Did you make a determination of
     12
              Ο.
     13 whether the reason that Mr. Yellis was giving you
     14 for delaying providing sales assistance to Mr.
     15 Yeager was a legitimate one?
                            MR. HEEP: Can you repeat that
     16
     17
                  question.
     18
     19 BY MR. MACK:
                 Did you make a determination of whether
              Q.
     21 the reason that Mr. Yellis was giving you for
     22 waiting until Monday to provide sales assistance to
     23 Mr. Yeager was a legitimate one?
              A. I made a determination it was probably not
```

40. PAGE 155:08 TO 159:18 (RUNNING 00:06:05.000)

02 Yellis asked.

08	Q. Mr. Polzer, is this another exchange of
09	emails with Mr. Lusty?
10	A. This is from yes, it is.
11	Q. And it involves that same customer,
12	Parrish Leasing, right?
13	A. Correct.
14	Q. Except now we're in July of 2003, right?
15	A. Correct.
16	Q. And Mr. Lusty was requesting some
17	information from you regarding the sales assistance
18	that had been approved for Parrish Leasing?
19	A. Yes.
20	Q. Now, do you know what dealers were
21	involved with this?
22	A. Dealer D549 VOMACK and dealer D567, Toledo
23	Mac.
24	Q. And this was a deal for 20 CX 613s, right?
00156:01	
02	Q. And one of the things that Mr. Lusty asked
03	you about was what is the status of volume bonus,

00155:01 a legitimate one. But I chose to agree to what Mr.

```
04 right?
     05
             Α.
                 Correct.
              Q. And you responded to Mr. Lusty's request
     06
     07 by saying that Mack will withhold and pay the volume
     08 bonus after RDN. I don't believe this dealer
     09 qualifies for net bill VB, that is volume bonus, at
     10 the time of invoice because customer would be out of
     11 territory for him. Right?
           A. That's what I wrote.
     12
             Q. And that is Mack's policy, right, about
     13
     14 net billing?
             A. Correct. That is one of the conditions
     15
     16 where we will agree to net bill the volume bonus
     17 upfront.
              Q. And net billing the volume bonus up front
     18
     19 is the same as net net billing, correct?
             A. It would arrive to the net net price of
     20
     21 the truck, correct.
             Q. So in this instance the dealer was not
     23 entitled to have net net pricing because the
     24 customer was out of his territory?
             A. In my opinion, the dealer always gets the
00157:01
     02 net net pricing being we had stated earlier there is
     03 no condition by which we would ever permanently
     04 withhold volume bonus, so the credit that represents
     05 volume bonus will eventually be returned to him.
                            So in my opinion the cost of
     06
     07 this truck to the dealer would be the same whether
     08 we net -- the eventual bottom line cost to the
     09 dealer will be the same whether we withheld the
     10 volume bonus or not.
              Q. There is a little issue of interest, isn't
     11
     12 there, Mr. Polzer?
                            MR. HEEP: Objection to form of
     13
                   the question.
     14
     15
     16 BY MR. MACK:
              O. There is a difference of interest?
     17
              A. That would -- it would necessitate that
     18
     19 there could potentially be a higher floorplan value
     20 for the dealer we did not net volume bonus, which I
     21 guess where you are implying there is a bigger
     22 interest.
              O. Well, if the dealer gets -- pays the money
      23
      24 to Mack, okay, the volume bonus, and then Mack
00158:01 returns it to him several months later, doesn't Mack
     02 collect interest on that amount?
              A. I would agree with that.
              Q. Okay. Whereas, if the net net pricing is
      04
      05 done, the dealer doesn't have to pay that 2 percent
      06 to Mack, and then waits several months to get it
      07 back. The dealer can have that money in his own
      08 bank account and collect interest on it, right?
              A. Sounds logical, yes.
      09
              Q. And it is Mack's policy that net net
      11 billing is only available if the customer is in the
      12 dealer's area of responsibility, right?
              A. That is one of the three conditions that
      14 has been in existence for a number of years as to
      15 whether we would net net invoice a dealer.
            Q. What are the other two conditions?
```

A. It requires one -- of the conditions was

17

```
18 we would have to be notified in writing actually 30
     19 days before placement. So it would have to be
     20 within his AOR. And I believe the third is it would
     21 have to be approved by the field authority, the
     22 regional vice president.
              Q. Mr. Yellis, in this case?
     23
                 In this case, Mr. Yellis.
             A.
     24
             Q. And when you say notify in writing 30 days
00159:01
     02 in advance, what do you mean by that?
             A. The letter of the ruling is that we would
     03
     04 have to receive written correspondence that the
     05 dealer is requesting to be net billed, to be net net
     06 billed the volume bonus, approved by the regional
     07 vice president, and essentially approved by myself
     08 30 days -- the ruling is -- I believe it's before
     09 your placement of invoice. It's one much those
     10 days.
                   Not 30 day before the sales assistance
     11
              Ο.
     12 request?
                  The sales assistance request is a separate
      14 issue from that.
              Q. Okay. In this case, Parrish Leasing was
     16 not in Mr. Yeager's area of responsibility, right?
              A. That was my understanding which is why I
      18 wrote that.
```

```
41. PAGE 160:22 TO 163:05 (RUNNING 00:03:16.400)
                    The sales assistance forms we've been
       22
               Q.
       23 looking at so far today, they don't show net net
      24 billing unless it's included in the comments, right?
               A. Correct. That usually is not a part of
 00161:01
       02 the QTS, the documents we looked at.
              Q. Went you are trying to equalize -- strike
       04 that.
                              Since net net billing is never
       05
       06 available to a dealer selling outside of his AOR,
       07 when you are dealing with sales assistance requests
       08 and the issue of equalizing dealers, that's not
       09 anything that you have to worrying worry about,
       10 right?
                              MR. HEEP: Objection to form.
       11
                              THE WITNESS: We would not put a
       12
                    value on that volume bonus. And if I
       13
                    believe what you are trying to tell me, we
       14
                    would not put a monetary value on that
       15
                    interest that you are talking about and
       16
                    increase a sales assistance to a dealer
       17
                    not being net net billed.
       18
       19
       20 BY MR. MACK:
       Q. And in fact because Mack's policy is --
       22 strike that. The AORs don't overlap, right?
               A. As far as I know. I'm pretty sure they do
       23
       24 not overlap.
               Q. And because Mack's policy is that net net
 00162:01
       02 billing is only available for sales within an AOR by
       03 the dealer in that AOR, right?
                A. That is the policy.
       04
                Q. It's impossible to equalize dealers on net
```

06 net billing under Mack's policies, right?

07

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MR. HEEP: Objection to form.

```
THE WITNESS: I guess there is
      08
                    some truth to your -- I do not believe
      09
                    that -- I do not believe that is what we
      10
                    are required to do.
      1.1
      13 BY MR. MACK:
               Q. That is nothing that you've done, correct?
               A. Correct.
      15
               Q. And you have just -- I think you said
      17 this. I want to make sure we're clear. You have
      18 never tried to assign a dollar value to the net net
      19 billing when you sat around -- sat down to determine
      20 what levels of sales assistance you needed to
      21 equalize people at?
               A. That is correct.
      22
               Q. Do you, sir, have any understanding of the
      23
      24 reason why net net billing is not available to a
00163:01 dealer selling in another dealer's area of
      02 responsibility?
               A.
                   Not really.
                    You never asked why we have this policy?
               Ο.
      04
      05
               Α.
42. PAGE 163:11 TO 170:03 (RUNNING 00:06:31.200)
```

O. Polzer Exhibit-16 is document that was 12 produced to us by counsel in this case. It says Top 13 U.S. Mack Retail Sales Ranked by Five Year Total. 14 Do you recognize this, sir? 15 A. Yes, I do. Q. And is this a list of Mack's top sales to 16 17 national accounts for the five year time period 1998 18 through 2003? A. It is a combination of national accounts 20 and the largest dealer fleet customers. Q. Okay. Ryder. That is a Mack national 22 account, correct? 23 A. Correct. Q. Waste Management, that is a Mack national 24 00164:01 account, right? Currently it is. 02 Α. O. Okay. Was there any period of time from 03 04 1998 to 2003 that it was not? A. Is it my understanding at one point in 06 time, Waste Management may have been handled through 07 a dealer. I do not remember when that switch 08 occurred. Q. Okay. Was it handled through the Chicago 09 10 subsidiary? A. I believe they were one of the two that 1.1 12 would have been involved. Q. McNeilus. That is a Mack national 14 account, right? A. Correct. 15 Q. UPS? 16 17 Α. National account. Q. Okay. And if we say national account is 18 19 it fair to assume, then, that the number of sales 20 here are national account sales numbers? A. Yes.

Q. Comcar?

A. National account.

22

23

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```
٥.
                 New York City, national account?
     24
                 Yes.
00165:01
             Α.
                  Can you go down? Republic. Is that a
     02
             Q.
     03 national account?
             A. No, that is dealer fleet account.
                 Which dealer, do you know?
     05
              Q.
                 Nextran, Jacksonville.
     06
             A.
             Q. Okay. BFI?
     07
             A. That is a dealer various.
     08
             Q. Okay?
     09
             A. Fleet sold through various dealers.
     10
             Q. Schwing. Is that a national account?
     11
     12
             Α.
             Q.
                  That is sold through Mr. Nuss, Rochester?
     13
             Α.
                  Yes. Yes.
     14
             Q. Putzmeister?
     15
             A. Dealer.
     16
              Q. Dealer. What dealer?
     17
             A. Milwaukee Mack.
     18
              Q. Mr. Paven?
     19
                  I am sorry. Which one?
              A.
     20
              Q. Is Milwaukee Mack George Paven? You don't
     21
     22 know?
              A. The dealer owner is Roger Creet. I know
     23
     24 George is there. I don't know his official
00166:01 capacity.
              Q. Tyson Foods is Shippley?
      02
      03
              A.
                  Correct.
              Q. Shippley, are they in -- what part of
      04
      05 Arkansas?
                 They have a small store in Fort Smith. I
             A.
      07 believe is Lowell.
              O. Did you say Fort Smith?
              A. They have a -- one of there two locations
      10 is Fort Smith. But I think their main operation is,
      11 I believe Lowell.
              Q. Penske Truck Leasing. That is a Mack
      12
      13 national account, right?
             A. Correct.
              Q. Is that Pennsylvania Department of
      15
      16 Transportation?
              A. Correct.
      17
              Q. Is that a national account?
      18
                 Correct.
      19
              Α.
              Q. McClain Industries, is that a national
      20
      21 account?
              A. Yes.
      22
              O. Florida Rock. That's a Nextran account,
      23
      24 right?
              A. Correct.
00167:01
                 Heil, national account?
      02
              Q.
              A. Correct.
      03
              Q. Roadrunner?
      04
              A. National account.
      05
              Q. Ruan?
      06
              A. National account.
      07
              Q. Kenan?
      80
              A. Dealer, fleet.
      09
              Q. What dealer, do you know?
      10
              A. At the time it was Tallahassee Mack. Now
      11
      12 they are called Capital Mack.
```

Q. Lily?

13

```
A. National account.
     14
             O. Air Products is national, right?
     15
             A. No. Dealer.
     16
             O. Allentown Mack?
     17
             A. Allentown Mack, yes.
     18
                 Arnold/New Penn?
             ο.
     19
                 Dealer.
     20
             A.
             Q. What dealer?
     21
             A. I always get it mixed up between two.
     22
     23 It's either Leicher or Interstate.
             O. Beelman?
     24
             A. National account.
00168:01
             O. U.S. Postal Service, national account?
     02
                 Correct.
     03
             Α.
             Q. McElroy?
     04
             A. McElroy, dealer, Gulf Coast.
     05
             Q. You are doing pretty good. We made it
     07 through 26. I'm impressed.
             A. Now we get to the hard ones, the smaller
     0.8
     09 ones.
             Q. R&J Truck?
     10
             A. National account, currently.
     11
              Q. Okay.
     12
              A. It may have always -- I honestly don't
     13
     14 know the past history. I know it is today.
             Q. Okay. Oakley?
     15
              A. Dealer through Nextran Orlando.
     16
              Q. Matlack?
     17
                 I believe that was a national account.
     18
              A.
     19 I'm pretty positive.
              Q. Now, Capital Mack, are they part of the
     21 Nextran group?
              A. No, they are not.
              Q. They are not. DM Bowman?
     23
              A. Dealer fleet. I believe that is Leicher
00169:01 Mack. That could be Interstate. I get DM Bowman
     02 and the other one mixed up. One is Leicher and one
      03 is Interstate.
              O. Okay. Ashford Concrete?
                   I believe they were -- I -- I believe they
      0.5
              A.
      06 were a national account. I -- I don't remember. We
      07 have not sold since 2000.
      08
              Q. Okay.
              A. They may have bought some through a
      09
     10 dealer. I just don't remember.
             Q. Supervalu?
     11
              A. National account.
     12
              Q. TIC United?
      13
              A. I don't have a -- I don't remember.
      14
              Q. Okay.
      15
              A. I believe national account.
      16
              Q. Milwaukee Mack Leasing?
      17
              A. I assume that's a dealer. That is a
      18
      19 dealer.
             O. Suntrust Leasing?
      20
              A. That would be sold through a dealer.
      21
              Q. What dealer?
      22
              A. To be honest with you, I am not sure that
      24 this is a buying entity or it is like a financing
00170:01 operation that becomes the legal owner of the truck.
              Q. RDK Truck Sales?
      02
```

A. That would -- that was a dealer.

43. PAGE 171:02 TO 172:09 (RUNNING 00:01:36.300)

- 02 Q. ADM trucking?
- 03 A. Dealer.
- 04 O. McKenzie Tank Lines?
- 05 A. That was also a dealer.
- 06 Q. Do you know what dealer ADM or McKenzie
- 07 is?
- 08 A. ADM is -- I do know it's Central region.
- 09 I just don't remember.
- 10 O. McKenzie?
- 11 A. McKenzie is sold out of Tallahassee Mack
- 12 or now today Capital Mack.
- 13 Q. Conway Beam leasing?
- 14 A. That would be a dealer. That is the Mack
- 15 leasing system subsidiary of that dealership.
- 16 Q. R&L?
- 17 A. National account.
- 18 Q. Savage?
- 19 A. Dealer, Salt Lake City.
- 20 Q. Transport Services?
- 21 A. Dealer, Chicago Mack?
- Q. ABC Supply Company?
- 23 A. Dealer. It's -- I believe it's Madison.
- 24 It's somebody in Wisconsin, I believe.
- 00172:01 Q. Ready Mixed Concrete?
 - 02 A. That is a dealer. I believe that is
 - 03 Talsby Mack.
 - 04 Q. Shippers Rental Company?
 - O5 A. That is a leasing system of a dealer in
 - 06 the central region and I believe it's Quincy.
 - 07 Q. A duie Pyle, Inc.?
 - 08 A. Dealer. I could -- it's the Northeast
 - 09 region. I don't know the exact dealer.

44. PAGE 173:18 TO 174:04 (RUNNING 00:00:25.900)

- 18 Q. Indian River?
- 19 A. Nextran. I'm sorry. Dealer, Nextran
- 20 Tampa.
- 21 Q. Georgia Pacific?
- 22 A. National account.
- 23 Q. NEMF?
- 24 A. New England Motor Freight, national
- 00174:01 account.
 - 02 Q. Freight Equipment Leasing?
 - 03 A. That is a dealer Pittsburgh Mack or
 - 04 otherwise known as Pitt Ohio.

45. PAGE 177:18 TO 181:01 (RUNNING 00:03:37.300)

- 18 Q. Do you know how McNeilus distributes or
- 19 sells the trucks that it purchases from Mack?
- 20 A. Can I say that with 100 percent certainty?
- 21 No.

06

- Q. Wouldn't that information, sir, be
- 23 material to making a determination whether or not
- 24 McNeilus was competing with Mack dealers when it
- 00178:01 sells the trucks?
 - 02 MR. HEEP: Objection to the use
 - of the term material. It's vague. Go ahead.
 - ahead.
 THE WITNESS: My opinion, no.

```
07 BY MR. MACK:
                  In expressing your opinion on whether or
     0.8
              Q.
     09 not McNeilus completes with its Mack dealers, it's
     10 not important for you to know how McNeilus actually
     11 sells the trucks?
                             MR. HEEP: Objection to form.
     12
                             THE WITNESS: Just repeat that
     13
     14
                   again.
     15
                        (Whereupon, the preceding portion of
                   testimony was read back by the court
     17
                   reporter as follows:
     18
                        "O.In expressing your opinion on
     19
                   whether or not McNeilus completes with its
     20
     21
                   Mack dealers, it's not important for you
                   to know how McNeilus actually sells the
     22
                   trucks?")
     23
                                _ _ _
     24
00179:01 BY MR. MACK:
            Q. What I meant to say was completes with
      03 Mack dealers, not competes with its Mack dealers?
              A. I will answer, no.
                  Do you know how McClain distributes or
              Q.
      06 sells the trucks that it purchases from Mack?
              A. With a hundred percent certainty, no.
              Q. Do you know how Heil distributes or sells
      ΩR
      09 the trucks that it purchases from Mack?
              A. With 100 percent certainty, no.
      10
                   If I asked you the same question about
      11
              Q.
      12 competition and your opinion on competition that I
      13 asked you with respect to McNeilus, if I asked you
      14 that same question for Heil and McClain would your
      15 answer be the same?
                             MR. HEEP: Can you ask what the
      16
                   question is?
      17
                             MR. MACK: Sure.
      18
      19
      20 BY MR. MACK:
              Q. Let me try is in a compound fashion and
      22 see if I can get this by you. What I mean by
      23 compound is I want to include Heil and McClain in
      24 the same question. If you want me to do it the long
00180:01 way, we can do it the long way.
                             In expressing an opinion on
      02
      03 whether or not McClain completes with Mack dealers,
      04 is it important for you to know how Mack -- how
      05 McClain sells the products that it purchases from
      06 Mack?
               A. I will answer no.
      07
                   In expressing an opinion on whether or not
      80
      09 Heil competes with Mack dealers, is it important for
      10 you to know how Heil sells the trucks that it
      11 purchases from Mack?
               A. I will answer no.
               Q. Now, do you know where the trucks that
      13
      14 McClain purchases from Mack are invoiced?
                             MR. HEEP: Go ahead.
      15
                             THE WITNESS: Not with a hundred
      16
                    percent certainty. I do not really see
      17
      18
                    the ending invoice.
      19
      20 BY MR. MACK:
```

```
Q. And how about Heil?
     21
              A. Not with -- again, I do -- they -- the
     22
     23 final invoices do not come to me. I will say, I
     24 have seen some. I can't guarantee that they are all
00181:01 invoiced the same way. I do not know.
```

```
46. PAGE 183:06 TO 189:03 (RUNNING 00:08:05.400)
                    Do you recognize this as being an email to
               Ο.
      06
      07 you from Mr. Thomas?
      08
               A.
                   Yes.
               Q. Do you recognize any of the handwriting on
      09
      10 the document, sir?
               A. That -- No, I do not.
      11
               Q. Now, Schwing is not a national account,
      12
      13 right?
               A. Correct.
      14
               Q. Does Mack have an agreement with Schwing
      15
      16 regarding the pricing that it will charge Schwing
      17 for the 2003 model year?
               A. I wouldn't say Mack -- Mack is part of the
      19 negotiation that the dealer goes through with
      20 Schwing when they determine what the pricing will be
      21 for a new model year.
               Q. But Mack is involved and Mack agrees
       23 upfront that it will charge the dealer a particular
       24 price for all the trucks the dealer sells to Schwing
 00184:01 in that year?
                   Yes. I would say Mack definitely has a
               A.
       03 say into what type of price increase or whatever
       04 we're willing to do for a new model year.
               Q. Now, how many customers are there like
       06 this, that you are aware of, sir, where Mack has
       07 agreed upfront with the dealer that for all sales to
       08 the dealer -- for all sales by the dealer for that
       09 customer in a particular year there will be a
       10 specific level of pricing?
                              MR. HEEP: I am sorry to do
       11
                     this. But would you mind reading that
       12
                    back.
       13
       14
                          (Whereupon, the preceding portion of
       15
                    testimony was read back by the court
       16
       17
                    reporter as follows:
                          "Q.Now, how many customers are there
       18
                    like this, that you are aware of, sir,
       19
                    where Mack has agreed upfront with the
       20
                    dealer that for all sales to the dealer --
       21
                    for all sales by the dealer for that
       22
                     customer in a particular year there will
       23
                    be a specific level of pricing?")
 00185:01
                              MR. HEEP: I will object as
       02
                    vague and confusing to the extent you are
       03
                    restating his prior testimony, I don't
       04
                    think it was right.
       0.5
                               THE WITNESS: I would imagine
       06
                    there are probably about at least 50 if
       07
                    not more accounts where there is a Mack
       08
                    representative working with the dealer
       0.9
                    involved in coming up with either a range
       10
                     or a specific price for another model year
```

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```
12
                 or whatever.
     13
     14 BY MR. MACK:
             Q. DO any of those, sir, involve a dealer
     16 selling to a customer outside his AOR?
              A. I would have to go through what I think to
     18 be the list. Offhand, I can't think of one,
     19 offhand.
              Q. Okay. Schwing is what dealer?
                   I believe within the Bob Nuss, quote,
              Α.
     22 empire somewhere in Minnesota.
           O. Are you involved or have you been involved
     24 with each of those approximately 50 customers?
00186:01
             Δ
                  Yes.
                   And what is your involvement with those
              Ο.
      03 negotiations?
                   With the direct negotiations, very little.
     04
              Δ
     05 What normally happens is the district manager and/or
     06 usually the RVP will call with me and say it's time
     07 to go quote this customer for the next model year.
     08 Or if they want a -- whatever.
                            Anyway, they would ask my
      09
      10 opinion in most cases as to what type of price
      11 increase we should be trying to get.
              Q. If another dealers want to quote one of
      12
      13 those customers and that dealer is from outside the
      14 AOR where the customer is located, is that dealer
      15 equalized with the pricing given as part of these
      16 negotiations?
      17
                             MR. HEEP: Objection. Vague
      18
                   and. The clarification that I'm looking
                   for is are you asking him -- at the time
      19
                   of the negotiation of the deal itself
      20
                  would another dealer be equalized? Or are
      21
                  you asking after the deal was done during
      22
                  the one year period, whatever, if a dealer
      23
                  would be able to get that pricing?
      24
                            MR. MACK: The later.
00187:01
      02
      03 BY MR. MACK:
              Q. After the deal is done if another dealer
      05 comes along and said -- if another dealer from
      06 outside the AOR comes along and says I want that
      07 pricing, would he get it?
                  What do you mean by deal is done? That
      09 we've come to an agreement on where the price would
      10 be? Or they have actually put an order in?
              Q. Let's talk about Schwing.
      12
              A. Okay.
              Q. Maybe it will be easier if we talk about a
      13
      14 specific customer.
              A.
                  Okay.
              Q.
                   If another dealer from outside the AOR
      16
      17 which Schwing is located put in a sales request,
      18 sales assistance request to you, would that dealer
      19 be equalized with the pricing that you had given to
      20 Mr. Nuss to sell to Schwing?
              A. Yes. That is what we try. I mean, yes,
      21
      22 that is our policy. They should be equalized.
              Q. Does the dealer have to supply a letter
      24 from the customer indicating that the customer is
00188:01 interested in purchasing from that dealer before he
```

```
02 is equalized?
      03
               Α.
                   Not -- in virtually all cases, no.
                   You are not aware of that being part of
      04
               Q.
      05 the requirement to get equalization?
               A. I am aware it is in place for Toledo Mac
      07 now.
                   Is it in place for any other dealers?
      0.8
               Q.
      09
               Α.
                    I -- I do not know.
               Q. Okay. When did it go in place for Toledo
      10
      11 Mac?
               A. Once we understood the lawsuit had been
      12
      13 filed.
               O. And who put that requirement in place?
      14
               A. I can only matter there were a bunch of --
      15
      16 a bunch of people were discussing the situation and
      17 that it became a consensus, a way to go.
                    Were you involved in that, Mr. Polzer?
      18
               Q.
                    I believe I was at the meeting where that
      19
               Α.
      20 was discussed.
                   Did you ever say to Mr. Lusty that by
      22 requiring Mr. Yeager to submit a letter is how we
      23 keep him in his box?
                              MR. HEEP: Objection to form.
                              THE WITNESS: I don't know if I
00189:01
                    used those exact words. But I will say I
      02
      03
                    agree with the sentiment.
47. PAGE 193:22 TO 193:23 (RUNNING 00:00:02.800)
      22
               Ο.
                    Is McNeilus one of those accounts?
      23
                   No, it is not.
               A.
48. PAGE 203:10 TO 204:24 (RUNNING 00:01:40.600)
               O. Let's talk about a dealer. Well, let me
      11 ask you this. Are there any national accounts that
      12 Mack gives free floorplan to?
               A. We give payment terms.
      13
               Q. That's what I thought. So let's talk
      15 about a dealer. When Mack -- if Mack would give
      16 free floorplan to a dealer, the dealer would still
          have to draw down on his credit line, even though
       18 during the period of time he was receiving the free
      19 floorplan?
                              MR. HEEP: Objection to form and
      20
                    foundation.
      21
                              THE WITNESS: That may or may
       22
                    not have been the case. Or is the case.
       23
```

24 00204:01 BY MR. MACK:

O2 Q. Do you know, are you saying it can differ O3 from bank to bank?

MR. HEEP: Same objection. 04 THE WITNESS: I quess the way I 05 am thinking what you are asking me in 06 terms of this -- to restate the question, 07 yes, as far as drawing down their current 80 floorplan line. But there were -- there 09 10 may have been ways to extend the floorplan in addition to that, is what I was trying 11 12 to get at.

13

14 BY MR. MACK:

```
Perhaps we'll get do that letter. I think
      15
      16 I know what you are referring to. Are you referring
      17 to some assistance that Mack may have given to some
      18 dealers in early in 2001 and 2002 in connection with
      19 limits placed on the floorplan?
             A. That's what --
                              MR. HEEP: Objection. Vague and
      21
                    as to form and foundation.
                              THE WITNESS: Yes.
      23
49. PAGE 205:02 TO 205:17 (RUNNING 00:00:35.800)
                   For example, Central Indi Mack and Chicago
       03 Mack received guarantees from Mack so they could
      04 extend the floorplans, right?
                              MR. HEEP: Objection to form and
      05
                    vaqueness.
                              THE WITNESS: I am not aware of
      07
                    Central Indiana Mack. But yes to Chicago
      8.0
       09
                    Mack.
      10
      11 BY MR. MACK:
               Q. And that had to do with some trucks or
      13 significant number of trucks that those dealers --
      14 essentially Chicago Mack had received on free
      15 floorplan for Mack, correct?
                              MR. HEEP: Objection.
       16
       17
                              THE WITNESS: Correct.
50. PAGE 205:23 TO 206:12 (RUNNING 00:00:43.000)
               Q. When a national account has extended
       24 payment terms, let's say there are extended payment
       02 that national account doesn't have to pay dollar one
       03 until the 120th day, correct?
       04 A. The national account?
               Q. Right.
```

00206:01 terms of 120 days. That means he doesn't have to --A. Needs to pay us by day 120, correct. 06 Q. And during the interim there is no draw 07 08 down on his credit line, assuming he has one? A. I guess you are asking something 10 theoretical. 11 Q. Yes, I am. A. Okay. I guess theoretically, yes.

51. PAGE 206:18 TO 206:22 (RUNNING 00:00:18.700)

Q. Was that also a problem with McNeilus in 18 19 2002? A. 2002? I don't know when it stopped 21 becoming a problem. But my perception is it's not a 22 problem now anymore.

52. PAGE 207:06 TO 208:05 (RUNNING 00:00:54.200)

```
Q. Is this also a problem with McClain?
06
07
                     MR. HEEP: Objection to
08
             vaqueness.
                      THE WITNESS: I am not aware
09
             that if it was.
10
12 BY MR. MACK:
Q. Are you aware of any other national
```

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```
14 account customers that this was a problem? And by
     15 the this, I am referring to what was reported in
     16 these minutes, other than McNeilus?
                 I have limited knowledge that the New York
             A.
     18 City municipal account, there was some delays in
     19 payment of certain monies.
             Q. To your knowledge, sir, did make take any
     21 legal action against McNeilus to collect these past
     22 due amounts?
             A. I am not aware of that.
     23
             O. To your knowledge, sir, did Mack ever
     24
00208:01 charge McNeilus for interest on these past due
     02 account amounts?
     03
             A. I just don't remember that. I'm not
     04 aware.
     05
```

```
53. PAGE 209:08 TO 214:06 (RUNNING 00:06:50.800)
                             This is an email with McDaniel.
      09 McDaniel is complaining about a deal lost to
      10 Schwing, right?
                  Yes.
             Α.
      11
                   And he is raising an issue with you about
               Q.
      12
      13 the pricing to Schwing?
              A. I believe that is part of what he is
      14
      15 raising here, yes.
              Q. He is also raising an issue about the
      16
      17 pricing to McNeilus?
               A. He refers to selling body companies. If
      18
      19 that is what you are taking to mean McNeilus by
      20 name, very possible.
               Q. Well, he says to you -- and this is -- he
      22 is the regional vice president for the Southeast
      23 region of Mack, right?
               A. Correct.
                  He says to you, Steve if we keep selling
 00210:01
               Q.
      02 body companies, Mack needs to upfront equate the
      03 dealer on sales assistance and avoid the hostile
      04 exchanges. Correct?
      05
              A. Correct.
               Q. Have you ever spoken with him about that
      06
      07 subject?
               A. This particular case or --
      0.8
               Q. Just general. That general subject?
      09
               A. Yes.
      10
                  And have any other regional vice
               Q.
      11
      12 presidents also expressed to you that they believe
      13 Mack needed to upfront equate the dealer on sales
      14 assistance with body companies?
               A. There have been some that have.
      15
      16
               Q. Okay.
               A. And some who have not.
      17
               Q. Okay. Well, tell me the ones that have?
      18
                             MR. HEEP: You want to know
      19
                    which RVPs have?
       20
                              MR. MACK: Yes.
       21
                              THE WITNESS: I believe the RVPs
       22
                    that expressed concerned were John Thomas
       23
                    in the Southwest region particularly in
       24
                  the Texas market. Dennis on a couple of
 00211:01
                    occasions, but he has also been one who
       02
```

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```
nз
                  had said McNeilus is not a competitor on
                  other occasions. Mike McNally had --
     04
                  excuse me -- he had not complained. And
     05
     06
                  Jeff Yellis I'm sure on occasions on
     07
                   certain deals.
     0.8
     09 BY MR. MACK:
             Q. Has expressed concern about competition
     11 from McNeilus?
             A. Yes.
     12
              O. And Mr. Favia in his email, which is the
     1.3
     14 second email says that he -- the second email on the
     15 first page -- he tries to stop McNeilus when I can
     16 when they have 84 percent of the mixer market it's
     17 swimming with croc's. Do you see that?
     18
              Α.
                  Yes.
              Q. Did Mr. Favia send this email to you?
     19
              A. I would have seen that, yes.
     20
              Q. Now in the string of emails, the third
     21
     22 email is one from you, right?
          A. Correct.
     23
                  Are we working backwards here? In other
              Q.
00212:01 words, from a chronology standpoint? I started on
     02 first page.
     03
             A. Correct.
              O. Can we tell by looking at the times which
     04
     05 is the first email, which is the second, and which
     06 is the third?
            A. It should be the last one on page two.
     07
     08
              Ο.
                   It should be the first one?
                  Excuse me. The last email on page two at
     09
              Α.
     10 the bottom of the page, it starts with, Steve, for
     11 your information MTM is quoting a customer named
     12 Wayne David? That should have been the first one.
                  Who is Joe, there? Joe Favia, correct?
     13
              Q.
                  Correct.
      14
              A.
                  And Mr. Favia sent you an email and said,
      15
              Q.
      16 McNeilus is quoting a customer named Wayne David.
      17 do not know where they are located but I know they
      18 are going in with Kenworths and Macks. Please
      19 advise if Mack customer, right?
             A. Correct.
      20
              Q. Do you know why Mr. Favia would have been
      21
      22 asking you if Wayne David was a Mack customer?
              A. He would have been -- he would have been
      23
      24 asking me because there was an informal friendly
00213:01 arrangement with McNeilus that we had asked them not
      02 to target certain accounts as part of our deal.
                  And, in fact, you had asked McNeilus to
      04 keep hands off established Mack dealer business,
      05 right?
                   Based on my understanding, I would -- I
      07 would basically reiterate that sentiment, yes.
              Q. Well, what was your understanding based
      08
      09 upon?
                   My -- I -- I believe it's what I said. My
      10
              A.
      11 understanding was we sold trucks direct to McNeilus.
      12 However, they were -- there were certain -- I should
      13 say certain accounts. But there were certain
      14 instances where we did not feel we wanted them
      15 trying to steal, deal business, or quote certain
```

16 dealer customers.

```
Q. And who told you that?
     17
             A. I believe it would have came in general
     19 conversations with Joe Favia.
            O. Anyone else you talked to at Mack about
     21 that subject?
            A. Not directly. It's possible Joe's
     23 superior, John Williams, would have overheard that.
             Q. But it certainly was -- when you wrote
00214:01 your email, which would be the second email that you
     02 sent, the one at 9:06 on April 30 of 2003, you
     03 wrote, as for McNeilus I thought they're supposed to
     04 keep hands off established Mack dealer business,
     05 right?
     06
              Α.
                 Yes.
```

54. PAGE 215:07 TO 216:05 (RUNNING 00:00:53.000)

```
Q. Did Mr. Favia identify for you any
08 particular Mack accounts that McNeilus was supposed
   to keep its hands off of?
            He would not have given me -- no. As far
        Α.
11 as keeping hands off, no.
        Q. Did he use the phrase established Mack
13 dealer business, which is the phrase you used in
14 your email?
        A. Did he ever use that phrase? I don't
15
16 think. He might have used that.
   Q. But that was your understanding?
17
       A. Yes.
18
                      MR. HEEP: Wait. Was it his
19
            understanding that Mr. Favia used that
20
             phrase or?
21
22
23 BY MR. MACK:
```

Q. No. His understanding that the 00216:01 arrangement with McNeilus was that they would keep 02 their hands off established Mack dealer business?

A. If it was my understanding?

Q. Yes, sir.

A. Yes. 05

04

55. PAGE 216:13 TO 217:05 (RUNNING 00:01:06.600)

```
Now, these accounts that McNeilus is
     13
     14 supposed to keep its hand off of, are those accounts
     15 where McNeilus is competing with the dealers?
                            MR. HEEP: Objection to form and
     16
                   foundation.
     17
                            THE WITNESS: If it was, I could
                   see where they would perceive it to be
     19
                   competing if they were competing for a
     20
                  truck to be available within a very short
     21
     22
                 timeframe.
     23
     24 BY MR. MACK:
              Q. Has Mr. Favia ever told you that he tries
00217:01
     02 to stop McNeilus from selling to established Mack
     03 customers when I can?
              A. I can only go by what he wrote on this
      05 email.
```

56. PAGE 221:03 TO 221:08 (RUNNING 00:00:23.100)

Q. Did you provide that level of sales

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04 assistance in the instance referred to in Polzer
05 Exhibit-22?
06 A. No, we did not. We had no idea Schwing --
07 those trucks from Schwing were part of the
08 competition.
```

57. PAGE 224:04 TO 226:09 (RUNNING 00:03:01.300)

- Q. And in the third paragraph there is a reference to net net price. Third paragraph, fifth line -- fourth line. Sorry.
 - A. When you say, the third break paragraph?
- 08 Q. Yes.
- O9 A. I think that dealt with specifically one 10 truck that was pulled out of corporate inventory.
- 11 Q. And my question to you, sir, is what is a 12 net net price?
- 13 A. Actually, that is actually net net. I 14 think I refined the use of those terms over the last 15 couple of year.
- Q. Well, was there some period of time at Mack when there was triple net pricing?
- 18 A. I am not aware of that. That would have 19 been in reference tow truck pricing.
- 20 The only possible thing if there 21 is a reference to RDS credit here, and I don't know 22 if that may have constituted what the third net was.
 - O. What it an RDS credit?
- A. I would say we discontinued that probably 00225:01 somewhere in the year either 2001 or 2002. I don't
- 802 know the exact date.
 803 But we at Mack corporate
 804 developed what we thought were good specs,
 805 pre-engineered specs, so-to-speak, trucks that we
 806 thought obviously if the dealer orders that same
 807 engineered spec it is going to save on our
 808 engineering time to configure a truck.
 - And so we came up with a program
 where we put maybe 15 maybe 20 of these
 pre-engineered type trucks that could have been
 highway, vocational, whatever, and to incentivise a
 dealer to order that in lieu of maybe ordering
 something with all of their individuals bells and
 - whistles they wanted, we would give them an additional credit.
 - 17 Q. Is that the easy spec program?
 - 18 A. It's similar. Easy spec was -- I would 19 call that a semi-engineered. RDS being pretty much 20 a completely engineered truck.
 - Q. Were there credits available on easy spec trucks?
 - 23 A. Yes, there were.
- Q. And when was -- was that a credit against 00226:01 the purchase price or was that money that was paid by the dealer and then returned to the dealer?
 - O3 A. I believe it was a purchased credit. It O4 was credit upfront at the time of invoice.
 - O5 Q. Was RDS a credit at invoice or paid to the O6 dealer at a regular time?
 - 07 A. In those situations where we recognized 08 that it was an RDS it was a credited invoice.

58. PAGE 226:14 TO 226:20 (RUNNING 00:00:27.300)

- 14 Q. Is Exhibit-24, sir, an email exchange
- 15 between you and Mr. Favia and Mr. Ginter?
- 16 A. Correct.
- 17 Q. And who is Steve Ginter?
- 18 A. Steve Ginter is in our marketing
- 19 department. He is -- his responsibilities involve
- 20 mostly the vocational product development.

59. PAGE 227:04 TO 229:08 (RUNNING 00:03:04.000)

- Q. And you were taking a look at some
- 05 invoicing on trucks to McNeilus in March, right?
- A. Yes.
- 07 Q. And you became concerned, did you not,
- 08 about the pricing on those trucks to McNeilus?
 - A. Yes
- 10 Q. And you determined that the pricing on
- 11 those trucks to McNeilus was ten to thirteen
- 12 thousand dollars better from a margin standpoint
- 13 than the pricing to the dealers, correct?
- 14 A. No, that is not what I am saying here. My
- 15 concern was that the margin we showed for those
- 16 granite bridge formula, and that was a newer type
- 17 model we had just developed for specific
- 18 applications, the first 13 of those or first one or
- 19 excuse me, maybe all 13 of those we sold showed a
- 20 ten or thirteen thousand dollars worse margin than a
- 21 similar spec RD that we were selling to McNeilus.
- 22 Q. Well, didn't you say that the pricing was
- 23 considerably lower than CVs we invoiced to our
- 24 dealer base?
- 00228:01 A. Excuse me. I did say that. But that is
 - 02 not what the margin reference is to.
 - Q. Well, did you determine that the pricing to McNeilus on these 13 trucks was considerably
 - 05 lower than pricing to the dealer base?
 - O6 A. I expressed concern that that could be a 07 problem, yes.
 - 08 Q. And then you said, I know we have -- we
 - 09 allow McNeilus to have a little better price than
 - 10 our dealers. However, we're talking ten to thirteen
 - 11 thousand dollars better from a margin standpoint.
 - 12 Right?
 - 13 A. That's what I said.
 - 14 Q. And I take it that was a truthful
 - 15 statement when you made it?
 - 16 A. It was truthful in that the margin was ten
 - 17 to thirteen thousand dollars lower, yes. At the
 - 18 time I first looked at it and fired off the email.
 - 19 Q. Okay. Was it also truthful that Mack
 - 20 allows McNeilus to have a little better price than
 - 21 the dealers?
 - 22 A. I think we've established that throughout
 - 23 here, today.
 - Q. And that's what you were talking about
- 00229:01 there?
 - A. Yes.
 - Q. And at least in this instance when you
 - 04 looked at it on April the 3rd of 2001, the pricing
 - 05 to McNeilus on these 13 CVs was -- there was a
 - 06 difference of ten thousand to \$13,000 a margin

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07 standpoint?
80
       Α.
            Yes.
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60. PAGE 229:13 TO 230:10 (RUNNING 00:01:03.600)

- Well, you said 10 to \$13,000 in the same 14 sentence that you were talking about the pricing to 15 the dealers, right? A. My note to Joe is that --16 Q. Could you answer my question, sir? 17 A. We sold RDs to McNeilus and there was a 19 net net selling price and that resulted in a margin 20 of X. We came out with this new type truck, the 21 Bridge Formula Granite, and we sold some of those to 22 McNeilus because we wanted them to try and get that 23 product off the ground particularly in the West 24 Coast which is where this product was predominantly 00230:01 made for. And there was a concern that when we sold 02 them the margin that came back on those reports that
- 03 I told you about earlier were significantly lower
 - 04 from the RD. That means there could be two things 05 going on: Either we have a selling price problem or
 - 06 we have a costing problem. Q. Well, did you determine what it was? 07
 - 80 A. Yes.
 - O. What was it? 09
 - A. A costing problem. 10

61. PAGE 230:11 TO 231:06 (RUNNING 00:00:41.000)

- The RDs that Mack sold to McNeilus, were 11 12 those sold to McNeilus at a little better price than 13 the dealers? MR. HEEP: Objection. Asked and 14 answered. 15
- THE WITNESS: I believe we sold 16 those based off of the net net pricing 17 matrix we had with McNeilus and then came 18 to some agreement on where we would want 19
- 20 those prices. I believe it would have been --21 it would have been independent of any 22
- pricing we had done with the dealers on 23 the few dealers who had bought that type 24
- of truck up to then. 00231:01
 - 02
 - 03 BY MR. MACK:
 - Regardless whether or not it was Ο.
 - 05 independent, was it better than the dealer's price?
 - A. Yes.

62. PAGE 233:14 TO 233:18 (RUNNING 00:00:14.100)

- 14 Was it just these 13 trucks, sir?
- 15 That is what I was -- when I wrote the
- 16 email, that is what I -- that is what I had in front
- 17 of me of what we sold McNeilus.
- Q. Okay.

63. PAGE 234:09 TO 234:13 (RUNNING 00:00:13.733)

- Do you consider the pricing that Mack 09
- 10 gives to McNeilus to be information that the dealer
- 11 shouldn't know?
- A. Yes.

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